

ASSEMBLY BILL

No. 197

Introduced by Assembly Member Thomson

February 3, 1997

An act to add Section 8880.335 to the Government Code, and to amend Section 330b of the Penal Code, relating to the California State Lottery, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 197, as introduced, Thomson. California State Lottery.

(1) The California State Lottery Act of 1984 requires the California State Lottery Commission to promulgate regulations specifying the manner of distribution, dissemination, or sale of lottery tickets.

This bill, in addition, would authorize the commission to promulgate regulations to authorize the use of electronic, electromechanical, or other mechanical devices to dispense lottery tickets, as long as the machines meet certain requirements.

(2) Existing provisions of the Penal Code prohibit the manufacture, ownership, sale, possession, and transportation of slot machines or devices, as defined.

This bill would except from the definition of slot machine or device for purposes of the Penal Code, a device, as described in (1) above, that is authorized by the commission to dispense instant game tickets.

(3) An initiative measure, the act provides that none of its provisions may be changed except to further its purpose by a

bill passed by a $\frac{2}{3}$ vote of each house of the Legislature and signed by the Governor.

This bill, in conformance with those requirements, would declare that its provisions further the purpose of the act and would require a $\frac{2}{3}$ vote.

(4) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8880.335 is added to the
2 Government Code, to read:

3 8880.335. Notwithstanding any other provision of the
4 law, the commission may promulgate regulations
5 authorizing the use of electronic, electromechanical, or
6 other mechanical devices to dispense instant game
7 tickets, as long as the machines meet all of the following
8 requirements:

9 (a) The machines dispense only instant game tickets.

10 (b) The machines are not able to determine whether
11 the instant game ticket dispensed will entitle the
12 recipient of the ticket to a prize or any other thing of
13 value.

14 (c) The machines do not make change or otherwise
15 issue anything of value other than instant game tickets.

16 SEC. 2. Section 330b of the Penal Code is amended to
17 read:

18 330b. ~~Possession or keeping of slot machines or~~
19 ~~devices.~~

20 ~~(1) It~~ (a) (1) *Except as provided in paragraph (2), it*
21 *is unlawful for any person to manufacture, repair, own,*
22 *store, possess, sell, rent, lease, let on shares, lend or give*
23 *away, transport, or expose for sale or lease, or to offer to*
24 *repair, sell, rent, lease, let on shares, lend or give away, or*
25 *to permit the operation of, or for any person to permit to*
26 *be placed, maintained, or kept in any place, room, space,*
27 *or building owned, leased, or occupied by*~~him~~ *the person*
28 *or under his the person's management or control, any slot*

1 machine or device ~~as hereinafter defined~~, or to make or
2 to permit to be made with any person any agreement
3 with reference to any slot machine or device, ~~as~~
4 ~~hereinafter defined~~, pursuant to which the user thereof,
5 as a result of any element of hazard or chance or other
6 outcome unpredictable by him *or her*, may become
7 entitled to receive any money, credit, allowance, or thing
8 of value, or additional chance or right to use ~~such that~~ slot
9 machine or device, or to receive any check, slug, token,
10 or memorandum entitling the holder to receive any
11 money, credit, allowance, or thing of value; ~~provided,~~
12 ~~however, that this section.~~

13 (2) *This section*, insofar as it relates to owning, storing,
14 possessing, or transporting any slot machine or device ~~as~~
15 ~~hereinafter defined~~, shall not apply to any slot machine
16 or device ~~as hereinafter defined~~, *that is* located upon or
17 being transported by any vessel regularly operated and
18 engaged in interstate or foreign commerce, ~~so~~ *as long as*
19 ~~such that~~ slot machine or device is located in a locked
20 compartment of the vessel, is not accessible for use, and
21 is not used or operated within the territorial jurisdiction
22 of this ~~State~~ *state*.

23 (2) ~~Any~~
24 (b) (1) *Except as provided in paragraph (2), any*
25 machine, apparatus or device is a slot machine or device
26 ~~within the provisions of this section~~ if it is one that is
27 adapted, or may readily be converted into one that is
28 adapted, for use in such a way that, as a result of the
29 insertion of any piece of money or coin or other object, or
30 by any other means, ~~such the~~ machine or device is caused
31 to operate or may be operated, and by reason of any
32 element of hazard or chance or of other outcome of ~~such~~
33 *that* operation unpredictable by him *or her*, the user may
34 receive or become entitled to receive any piece of money,
35 credit, allowance, or thing of value, or additional chance
36 or right to use ~~such that~~ slot machine or device, or any
37 check, slug, token, or memorandum, whether of value or
38 otherwise, ~~which that~~ may be exchanged for any money,
39 credit, allowance, or thing of value, or ~~which that~~ may be
40 given in trade, irrespective of whether it may, apart from

1 any element of hazard or chance or unpredictable
2 outcome of ~~such~~ *that* operation, also sell, deliver, or
3 present some merchandise, indication of weight,
4 entertainment, or other thing of value.

5 ~~(3)~~

6 (2) A device authorized by the California State
7 Lottery Commission to dispense instant game tickets
8 pursuant to Section 8880.335 of the Government Code is
9 not a slot machine or device for purposes of this section.

10 (c) Every person who violates this section is guilty of
11 a misdemeanor.

12 ~~(4) It is expressly provided that with-~~

13 ~~(d) With respect to the provisions of Section 330b only~~
14 ~~of this code this section only~~, pin ball machines or devices,
15 and other amusement machines or devices ~~which~~ *that* are
16 predominantly games of skill, whether affording the
17 opportunity of additional chances or free plays or not, are
18 not intended to be and are not included within the term
19 slot ~~machine~~ *machine* machines or ~~device~~ *device* devices as defined in
20 ~~said Section 330b of this code section.~~

21 SEC. 3. The Legislature finds and declares that this
22 act furthers the purpose of the California State Lottery
23 Act of 1984 enacted by Proposition 37 at the November
24 6, 1984, general election. The facts constituting this
25 finding and declaration are as follows:

26 On June 2, 1996, the California State Lottery
27 discontinued use of its instant ticket vending machines
28 after being informed that the machines could be
29 construed to be illegal slot machines. The discontinued
30 use of these machines resulted in a significant reduction
31 in instant ticket sales. In order to provide the maximum
32 additional funds to benefit education without the
33 imposition of additional or increased taxes, as was
34 originally envisioned by the enactment of the California
35 State Lottery Act of 1984, this act will allow the continued
36 use of these machines, thereby increasing the sales of
37 instant tickets and the allocation of lottery proceeds to
38 education.

39 SEC. 4. This act is an urgency statute necessary for the
40 immediate preservation of the public peace, health, or

1 safety within the meaning of Article IV of the
2 Constitution and shall go into immediate effect. The facts
3 constituting the necessity are:

4 In order to provide the maximum additional funds to
5 benefit education, without the imposition of additional or
6 increased taxes, by allowing the use of instant ticket
7 vending machines by the California State Lottery, and
8 thereby increasing sales and the allocation of lottery
9 proceeds to education, it is necessary that this act take
10 effect immediately.

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